

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 4.62 percent to Rs. 3326.68 per quintal during the week ended 31st August 2017. Guar seed average price were ruling at Rs 3487.88 per quintal during 16-23 August 2017. As compared to prices in the week 24-31 August 2016, the prices are firm by 19.21 percent. Prices are expected to remain steady to weak in coming days.

Prices fell down last week due to rain in main guar producing region as it provided support to the standing crop and increased prospects of better yield. Any further rains will provide additional support to standing crop and prices can fall down to 3620-3650 for October future contract.

India has received 683.60 mm of actual rainfall against 707.40 mm of normal rainfall since the beginning of monsoon season until 30th August. In the week (24th – 30th August) India has received rainfall above LPA by 24% and the worst hit region was East & Northeast India which received rainfall below LPA by -21%. Since the beginning of monsoon season Punjab, Chandigarh, Delhi, West Uttar Pradesh, East Madhya Pradesh and Vidharba have received deficient rainfall.

As per data released by baker hughes the number of oil rigs in USA has decreased to 943 until 01st September 2017 up by 3 compared to last week and by 446 compared to 02nd September 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, as the number of oilrigs increases or decreases the demand for guar gum is also affected.

According to latest update, area sown in Gujarat until 28th August 2017 is 166300 hectares compared to 192800 hectares in the previous Kharif season. Area of guar is expected to be lower this season due to crop loss. Furthermore farmers are also shifting to other crops like cotton in irrigated areas and pulses in rain fed areas as these crops are fetching more returns. The last three year average normal area for guar seed in Gujarat is 292400 hectares.

As per latest update by Rajasthan agriculture department, guar seed has been sown in 2744.9 thousand hectares until 17th August 2017 against a target of 3800 thousand hectares for current Kharif season. As compared to last year for the same date, area is up 6.4 thousand hectares. Last Kharif season guar was sown in 3530 thousand hectares. The last five year average area ending 2011-15 for guar seed in Rajasthan is 4424 thousand hectares.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (1200 quintals) compared to previous week 2200 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1000 quintals) compared to previous week 750 quintals.

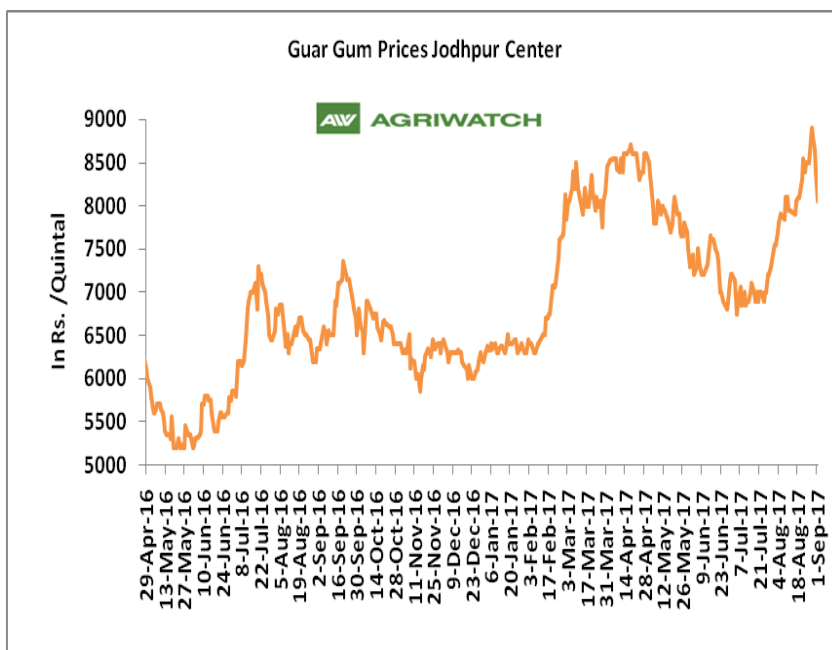
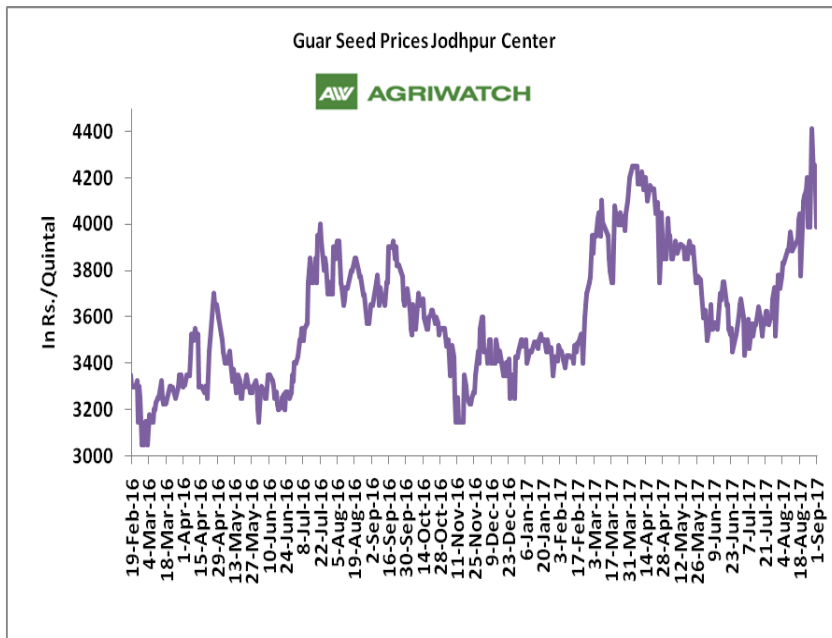
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3870 levels for a target of 3635 with a stop loss at 3948 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

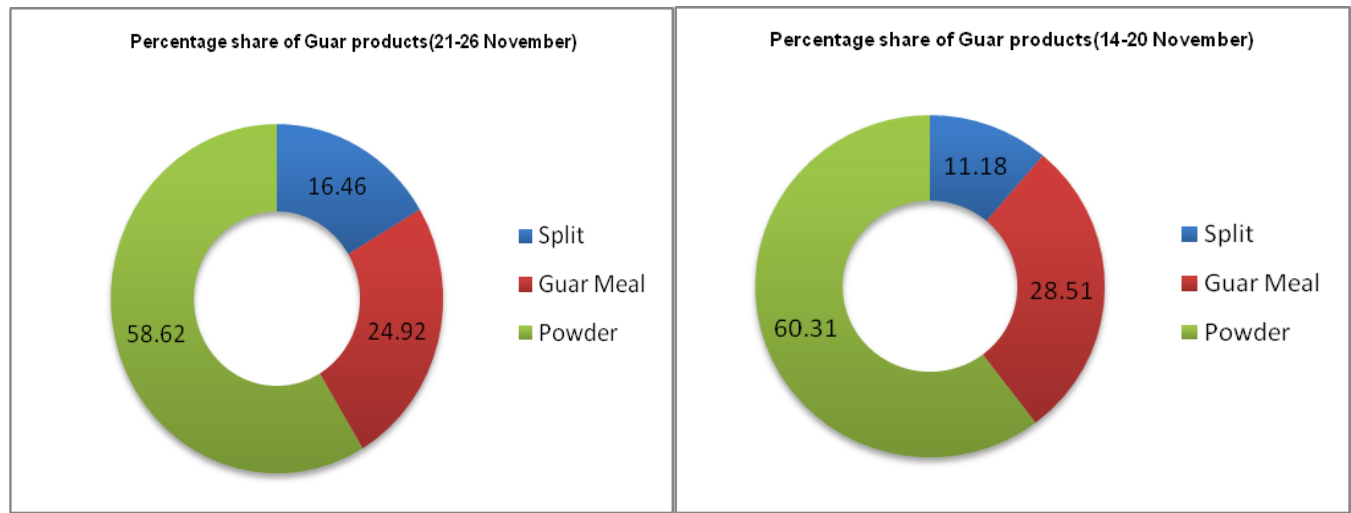
- In the week ended 01st September'17, Guar seed weekly average prices increased by Rs 71.25 /- qtl during the week compared to previous week and settled at Rs 4140 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 172.86/- qtl and settled at Rs. 8543 per quintal. Firm demand for guar gum from domestic as well as overseas market led the prices up this week.
- According to third advance estimate for 2016-17 issued by Rajasthan's Department of Agriculture for Guar seed the area, production and yield are 3530007 hectares, 1404819 tonnes and 398 kg/hectare respectively. As compared to first advance estimate for 2016-17, the area, production and yield have decreased by 46932 hectares, 557605 tonnes and 151 kg/hectare respectively.
- According to third advance estimate for 2016-17 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 352000 hectares, 242000 tonnes and 687 kg/hectare respectively. There is no change in figures of second and third advance estimates released by Gujarat's Department of Agriculture for Guar.



Export Scenario

Export Scenario (21st - 26th November 2016)

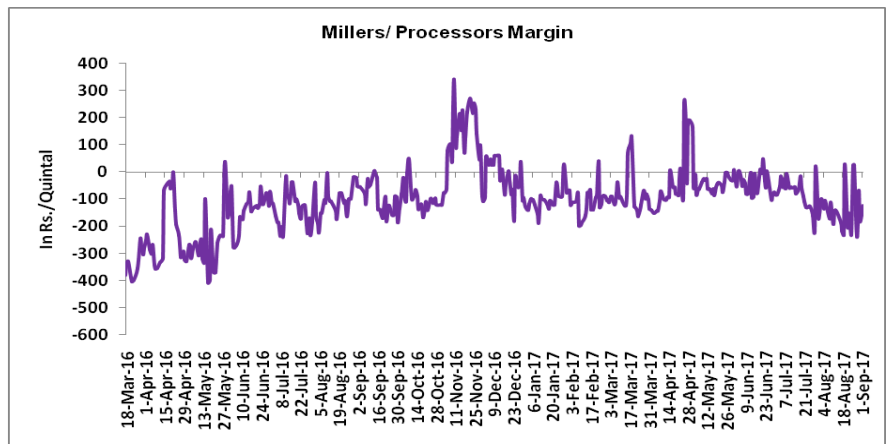
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 01st September'17, average crush margin is Rs. -102.95/Quintal, compared to last week's -152.87/Quintal. Therefore crushing is not favorable for Millers/Processors.

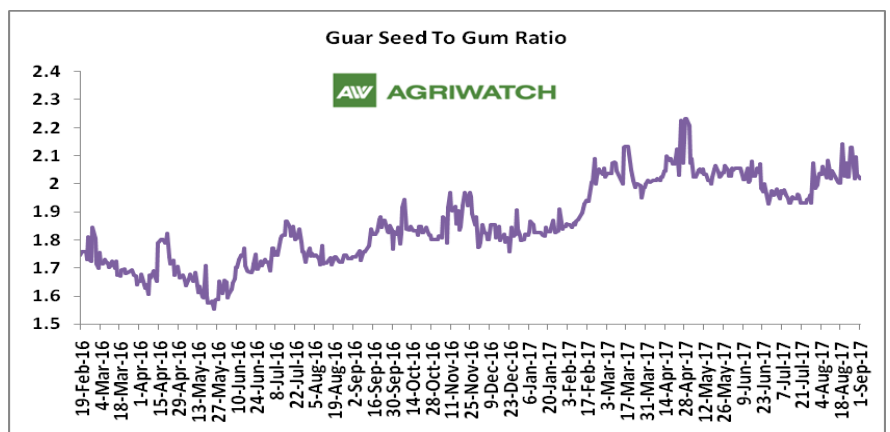
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 01st September'17 is 2.06, lower compared to last week's 2.05

Overall, weak demand of gum from overseas and good demand of seed from millers has decreased the overall ratio.



Technical Analysis (Guar Seed)

Commodity: Guar Seed
Contract: October
Exchange: NCDEX
Expiry: October 18, 2017


Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	October	3550	3485	3824	4065	4120
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 3870	3740	3635	3948



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: October 18, 2017



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- Prices closed above 9 and 18 days EMAs.
- RSI is moving in neutral region.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	7435	7310	8071	8690	8865
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 8190	7805	7610	8421

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs75/kg)				
Commodity	Centre	26th August to 1st September 2017	19th to 25th August 2017	Change
Churi	Jodhpur	1463	1458	4
Korma	Jodhpur	1896	1851	45
Churi	Sri-Ganganagar	1332	1255	78
Korma	Sri-Ganganagar	1785	1716	69

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	26th August to 1st September 2017	19th to 25th August 2017	Change
Guargum Split		1326	1246	80
Guargum Powder	200 Mesh 5000 CPS	1639	1555	83
	200 Mesh 3500 CPS	1561	1477	83
Guargum Meal	40%	315	325	-10
	50%	388	372	16

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			26th August to 1st September 2017	19th to 25th August 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3967	3875	92
		Jodhpur(Delivery)	4165	4069	96
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3827	3783	44
		Sri-Ganganagar (Delivery)	3917	3908	9
		Rawla (Loose)	3740	3775	-35
		Gharsana (Loose)	3770	3770	Unch
		Raisinghnagar (Loose)	3825	3813	12
	Bikaner	Bikaner (Loose)	3855	3828	27
		Bikaner (Delivery)	4048	4020	28
		Nokha(Loose)	3806	3787	19
		Nokha (Delivery)	3996	3976	20
		Khajuwala (Loose)	3838	3850	-12
		Khajuwala (Delivery)	4030	4043	-13
		Lunkaransar (Loose)	3810	3800	10
	Hanumangarh	Hanumangarh (Loose)	3632	3641	-9
		Hanumangarh (Delivery)	3814	3823	-9
		Nohar (Loose)	3757	3779	-23

		Pilibanga (Loose)	3683	3500	183
	Nagaur	Nagaur (Loose)	3825	3817	8
	Churu	Churu (Delivery)	3913	3950	-38
	Alwar	Alwar (Loose)	3567	3533	33
Haryana	Hisar	Adampur (Loose)	3725	3735	-10
		Adampur (Delivery)	3911	3922	-11
	Bhiwani	Bhiwani (Delivery)	3845	3858	-13
		Siwani (Loose)	3850	3829	21
	Sirsa	Sirsa (Loose)	3775	3737	38
		Dhabwali (Loose)	3590	3670	-80
		Dhabwali (Delivery)	3712	3854	-142
		Ellanabad (Loose)	3725	3720	5
	Fatehabad	Fatehabad (Loose)	4000	3894	106
Gujarat	Banaskantha	Deesa (Loose)	3633	3570	63
	Patan	Patan (Loose)	3698	3642	56
	Rajkot	Rajkot (Loose)	3650	3450	200
	Jamnagar	Dhrol (Loose)	NA	1530	-
Madhya Pradesh	Gwalior	Dabra (Loose)	3450	3220	230
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8550	8370	180
	Alwar	Alwar	8617	8400	217
	Hanumangarh	Nohar	8383	8367	17
Haryana	Bhiwani	Bhiwani	8608	8517	91
	Sirsa	Sirsa	8625	8390	235
		Dhabwali	8300	8390	-90
		Ellanabad	8400	8380	20
	Fatehabad	Fatehabad	7900	7925	-25

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Sep-17	25-Aug-17	1-Aug-17	1-Sep-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3800	3600	3500
		Jodhpur(Delivery)	3990	3990	3780	3650
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3825	3350	3300
		Sri-Ganganagar (Delivery)	3800	3950	3575	3500
		Rawla (Loose)	3550	3900	3400	3250
		Gharsana (Loose)	3550	3820	3390	3235
		Raisinghnagar (Loose)	NA	3839	3450	3350

	Bikaner	Bikaner (Loose)	3775	3900	3330	3350
		Bikaner (Delivery)	3964	4095	3497	3500
		Nokha(Loose)	3550	3850	3350	3290
		Nokha (Delivery)	3728	4043	3518	3408
		Khajuwala (Loose)	3600	3940	3440	3300
		Khajuwala (Delivery)	3780	4137	3612	3432
		Lunkaransar (Loose)	3600	Closed	3400	3300
	Hanumangarh	Hanumangarh (Loose)	3600	3716	3200	3325
		Hanumangarh (Delivery)	3780	3902	3360	3475
		Nohar (Loose)	3500	3800	3425	3300
		Pilibanga (Loose)	3600	3600	3210	3250
	Nagaur	Nagaur (Loose)	3600	4100	3250	3250
	Churu	Churu (Delivery)	3800	3900	3700	3400
	Alwar	Alwar (Loose)	3550	3500	3300	3200
Haryana	Hisar	Adampur (Loose)	3600	Closed	3425	3300
		Adampur (Delivery)	3780	Closed	3596	3450
	Bhiwani	Bhiwani (Delivery)	3650	3900	3500	3480
		Siwani (Loose)	3650	3925	3480	3470
	Sirsa	Sirsa (Loose)	NA	Closed	3375	3350
		Dhabwali (Loose)	3470	Closed	3200	3350
		Dhabwali (Delivery)	3470	Closed	3360	3500
		Ellanabad (Loose)	NA	Closed	3300	3300
	Fatehabad	Fatehabad (Loose)	Closed	NR	NR	3400
Gujarat	Banaskantha	Deesa (Loose)	NA	Closed	3475	3105
	Patan	Patan (Loose)	3585	NR	3225	3225
	Rajkot	Rajkot (Loose)	NR	NA	3225	3200
	Jamnagar	Dhrol (Loose)	NA	NA	3070	3475
M.P.	Gwalior	Dabra (Loose)	NA	3350	NA	3300
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8050	8500	7550	6350
	Alwar	Alwar	8400	8500	7400	6200
	Hanumangarh	Nohar	8000	8400	7400	6300
Haryana	Bhiwani	Bhiwani	8090	8600	7450	6480
	Sirsa	Sirsa	NA	Closed	7500	6350
		Dhabwali	8000	Closed	7500	6300
		Ellanabad	NA	Closed	7500	6300
	Fatehabad	Fatehabad	Closed	NR	NR	6300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			26th August to 1st September 2017	19th to 25th August 2017	
Rajasthan	Jodhpur	Jodhpur	189	1287	-1098
	Sri-Ganganagar	Sri-Ganganagar	1175	2900	-1725
		Rawla	320	850	-530
		Gharsana	420	199	221
		Raisinghnagar	550	1450	-900
	Bikaner	Bikaner	1000	750	250
		Nokha	2300	2250	50
		Khajuwala	1100	2100	-1000
		Lunkaransar	1850	500	1350
	Hanumangarh	Hanumangarh	167	151	16
		Nohar	1800	2150	-350
		Pilibanga	70	199	-129
	Nagaur	Nagaur	950	1150	-200
	Churu	Churu	2500	6000	-3500
	Alwar	Alwar	1300	1050	250
Haryana	Hisar	Adampur	1200	2200	-1000
	Bhiwani	Bhiwani	2600	3800	-1200
		Siwani	4300	5600	-1300
	Sirsa	Sirsa	600	1400	-800
		Dhabwali	120	550	-430
		Ellanabad	60	270	-210
	Fatehabad	Fatehabad	NA	129	-
Gujarat	Banaskantha	Deesa	400	1540	-1140
	Patan	Patan	452	511	-59
	Rajkot	Rajkot	50	150	-100
	Jamnagar	Dhrol	NA	1	-
Madhya Pradesh	Gwalior	Dabra	110	220	-110
Total Arrivals/Above Markets			25583	39357	-13774

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